

# Fiscal Note

State of Alaska  
2021 Legislative Session

Bill Version:	HB 160
Fiscal Note Number:	1
(H) Publish Date:	3/31/2021

Identifier: LL0579-DOT-COM-3-18-21  
Title: PROCUREMENT; CONSTRUCTION;  
CONTRACTS  
Sponsor: RLS BY REQUEST OF THE GOVERNOR  
Requester: Governor

Department: Department of Transportation and Public Facilities  
Appropriation: Administration and Support  
Allocation: Commissioner's Office  
OMB Component Number: 530

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2021) cost:** 0.0 (separate supplemental appropriation required)

**Estimated CAPITAL (FY2022) cost:** 0.0 (separate capital appropriation required)

**Does the bill create or modify a new fund or account?** No  
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed?

## Why this fiscal note differs from previous version/comments:

Not applicable; initial version.

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Date: 03/18/21

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2021 LEGISLATIVE SESSION**Analysis**

This legislative proposal amends AS 36.30, the state procurement code, authorizing the use of the Construction Manager General Contractor (CMGC) contracting method by the department. The CMGC contracting method provides for a two-phase contract awarded to a contractor to provide construction related services during both the preconstruction and construction phases of a project. Although, this procurement method is not provided for under competitive sealed bidding/competitive sealed proposals (AS 36.30.100-270), the department has used this contracting method under the Innovative Procurements method (AS 36.30.308) for 20 facilities and highway projects over the past 15 years. Once this method is adopted by statute, the department, with input from the Associated General Contractors of Alaska, can adopt regulations, policy, and guidance materials that further refines and standardizes this innovative contracting method for application in Alaska.

The department's experience is that the CMGC contracting method produces decreased contractor change orders and quicker project completion and, therefore, will result in an unknown savings in staff time and leveraging of departmental resources.